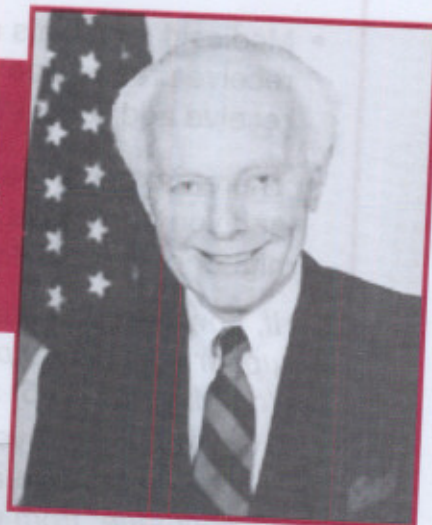


# CONGRESSMAN TOM LANTOS

## AN UPDATE ON THE NEW MEDICARE PRESCRIPTION DRUG COVERAGE FOR SENIORS



Dear Friend,

Starting on January 1, Medicare began offering prescription drug coverage through new private drug plans and managed care plans, now called "Medicare Advantage" plans.

Because enrollment choices need to be made in the coming months, and because the options are complex, many are expressing confusion and a sense of pressure to make decisions on these plans. It is very important to seek informed advice about the available choices whether you are a senior, a person with a disability or trying to help a parent or a friend with these decisions. Regrettably, government and private insurance information lines have been overwhelmed since the start of this plan. Furthermore, those participants who were automatically switched into this plan have faced increased costs and, in some cases, have found that the coverage of medications they once had no longer exists in the new system.

I opposed the law establishing this new system, but now that it is in place, seniors and other participants must seek out the information necessary to navigate the new plan and to make the best possible decisions about whether to join this voluntary program and what plan best meets their needs.

I hope the information contained in this newsletter will be helpful.

Cordially,

*Tom Lantos*

Tom Lantos  
Member of Congress





## ENROLLMENT

- Enrollment in the Medicare prescription drug program is **VOLUNTARY**. If you want to participate, you have to take action to sign up.
- Medicaid recipients and all low-income Medicare beneficiaries who already receive prescription drug coverage will be enrolled **AUTOMATICALLY**. (You will receive additional information in the mail from the Social Security Administration.)
- There are penalties for late enrollment. If you currently receive Medicare benefits and you don't have any prescription drug coverage whatsoever, you will pay higher premiums if you sign up **AFTER** the initial enrollment period ends.

*If, however, you drop or lose your non-Medicare drug coverage, you can still sign up for a Medicare prescription drug plan after the initial enrollment period ends (on May 15, 2006) and **AVOID HIGHER PREMIUMS, BUT ONLY IF:***

1. *You can prove that your non-Medicare coverage was at least as comprehensive as the Medicare drug benefit by receiving a "letter of creditable coverage" from your current provider, and*
2. *You enroll within 63 days.*



## COVERAGE

- If you have drug coverage through your employer or union, you should contact your benefits administrator **BEFORE** enrolling in the Medicare prescription drug program to determine which coverage is better for you.
- If you choose to enroll in the new program, you'll have a choice of prescription drug plans. The plans vary as to what prescription drugs are covered, how much you'll have to pay out-of-pocket, and which pharmacies you can use.
- Medicare may cover some brand name as well as generic prescriptions. All plans will have an appeals process if you need drugs that aren't covered.
- Before you enroll in the program or select a plan:
  1. Check to see which plans cover the medications you need,
  2. Check to see which plans provide coverage at your local pharmacies, and
  3. Determine if the plan's monthly fees fit within your budget.



## COSTS

- Costs will vary annually and will depend on the plan you choose. In general, you will pay for two things:
  1. A monthly premium (approximately \$37 in 2006).
  2. A yearly deductible (\$250 in 2006).
- If your drug expenses exceed the \$250 deductible:
  - For expenses above the \$250 deductible, but under \$2,250, you pay 25% and the plan pays the other 75%.
  - For expenses between \$2,251 and \$3,600, you have to pay all costs.
  - Once your drug expenses exceed \$3,600, you pay 5% of the cost and the plan pays the remaining 95% for the rest of the year.
- All costs mentioned above are **IN ADDITION TO** the Part B premium for doctor visits which will cost beneficiaries approximately \$88.50 per month in 2006. (You pay for Part B out of your Social Security check.)





## LOW-INCOME ASSISTANCE

- If you are single and your income is less than \$14,355, or if you are married and your combined income is less than \$19,245, you qualify for additional assistance\*. The chart below illustrates how much your annual deductible, monthly premiums, and drug co-pays will be under the plan.

| If your ANNUAL INCOME is.... |                      | ANNUAL DEDUCT. | MONTHLY PREMIUM | DRUG CO-PAY |         |
|------------------------------|----------------------|----------------|-----------------|-------------|---------|
| Single                       | Married (combined)   |                |                 | Brand       | Generic |
| \$9,570 or less              | \$12,830 or less     | \$0            | \$0             | \$3         | \$1     |
| \$9,571 to \$12,920          | \$12,831 to \$17,321 | \$0            | \$0             | \$5         | \$2     |
| \$12,921 to \$14,355         | \$17,322 to \$19,245 | \$50           | <\$26           | \$5         | \$2     |

- The Social Security Administration (SSA) will mail an application to those who might qualify for this assistance. If you think you qualify but have not received any information yet about this coverage, call SSA at (800) 772-1213.

*\*If you are single and the value of your personal assets is more than \$11,500, or if you are married and the value of your personal assets is more than \$23,000, you may not qualify for this low-income assistance. This includes money in bank accounts, as well as the value of your investments, insurance policies, and real estate beyond your primary home. (Your home, vehicles, personal possessions, burial plot, and up to \$1,500 intended for funeral costs.)*



## IMPORTANT DATES

**May 15, 2006**

This is your last day to enroll in a Medicare drug plan without incurring a 1% per month premium surcharge and the last day to enroll to receive any benefits in 2006.

**November 15, 2006**

The open enrollment period for Medicare Drug Benefits (Part D) begins for 2007. This is also the first opportunity for those who enrolled in a Medicare drug plan for 2006 to switch plans if they wish.

**MARK  
YOUR  
CALENDAR!**



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U.S. Representative Tom Lantos  
2413 Rayburn House Office Bldg., Washington, DC 20515

OFFICIAL BUSINESS



## IMPORTANT CONTACT INFORMATION

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San Mateo, CA 94402  
(650) 342-0300

#### Washington, DC Office

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Washington, DC 20515  
(202) 225-3531

### Centers for Medicare and Medicaid Services (CMS)

(800) 633-4227  
<http://www.Medicare.gov>

### Social Security Administration

(800) 722-1213  
<http://www.ssa.gov/prescriptionhelp>

**The Health Insurance Counseling and Advocacy Program of San Mateo County**  
(800) 434-0222

KEEP  
THIS INFO  
HANDY!



**For additional information about the new Medicare prescription drug benefit, visit**  
**<http://www.house.gov/lantos/>**

### Before you call...

**Before you call to apply for the prescription drug benefit or to receive more information, please have the following information available:**

- ☒ Your Medicare identification number (you can find this on your Medicare card).
- ☒ A list of the drugs you currently take, the dosage, and how much you pay for them.
- ☒ Your refill schedule and preferred method of receiving prescriptions (pharmacy or mail-order).
- ☒ Your annual income and a basic accounting of your personal assets in case you qualify for low-income assistance.